



## COUNCIL MINUTES

December 4, 2008

The City Council of the City of Mesa met in a Study Session in the lower level meeting room of the Council Chambers, 57 East 1st Street, on December 4, 2008 at 7:30 a.m.

### COUNCIL PRESENT

Mayor Scott Smith  
Alex Finter  
Dina Higgins  
Kyle Jones  
Dennis Kavanaugh  
Dave Richins  
Scott Somers

### COUNCIL ABSENT

None

### OFFICERS PRESENT

Christopher Brady  
Debbie Spinner  
Linda Crocker

#### 1. Review items on the agenda for the December 8, 2008 Regular Council meeting.

All of the items on the agenda were reviewed among Council and staff and the following was noted:

Conflicts declared: None

Items added to the consent agenda: None

#### 2. Hear a presentation, discuss and provide direction on the proposed Pawnshop Transaction Fee.

Assistant Police Chief Mike Denney introduced Assistant City Attorney II Jack Shaffer, Police Staff Attorney Nancy Sorensen and Police Fiscal Administrator Lisa Quedens, who were prepared to respond to any questions the Council may have.

Chief Denney reported that this item is a follow-up to the August 25, 2008 Public Safety Committee meeting, at which time staff made a presentation regarding the proposed implementation of a \$3.00 Pawnshop Transaction Fee that would be applicable to all pawnshop transaction reports filed with the Mesa Police Department's Recovered Property Unit. He explained that staff also recommended that the City move to an online electronic data submission system in order to streamline the identification/recovery of stolen property.

Chief Denney displayed a PowerPoint presentation (A copy is available for review in the City Clerk's Office) and provided an extensive overview of this issue. He stated that per State law, pawnshop owners may assess customers a fee for a pawn transaction, storage of an item, or

charge an interest rate depending upon the nature of the transaction. Chief Denny commented that within 48 hours of a transaction, Mesa pawnshop owners are required to report such transactions to the Police Department and said that the Recovered Property Unit enters the information into the Maricopa County Pawn database.

Discussion ensued relative to the fact that the proposed Pawnshop Transaction Fee would apply to pawnshops only; that State law regulates pawnshop owners and scrap metal dealers; and that secondhand dealers are regulated by State law only with regard to the transaction of precious items (i.e., jewelry).

Chief Denney referred to a graph depicting the number of pawnshop transactions in Mesa over the past five years as compared to the number of transactions manually entered into the system by the Recovered Property Unit. (See Attachment 1) He noted that in 2008, approximately 35,000 items were non-serialized (i.e., jewelry, golf clubs) and could not be entered into the database.

In response to a question from Councilmember Richins, Chief Denney indicated that he did not believe there was a legal preemption with regard to Mesa imposing the proposed Pawnshop Transaction Fee on secondhand dealers. He added that other communities contemplating the adoption of a similar fee are considering the inclusion of secondhand dealers as another possible regulatory group.

Further discussion ensued relative to the fact that the proposed online electronic data submission system would cost \$40,000 the first year (hardware and a subscription fee) and a \$10,000 subscription fee each year thereafter; that a pawnshop owner would incur a one-time cost of \$500 to connect to the system; that the cost of a web-based system, as an alternative option, would be significantly higher than staff's proposal; and that the implementation of an online electronic data submission system would allow the City to maintain a hard copy of the pawn tickets, ensure that Mesa's pawnshop owners comply with State and local laws, and provide the City "a failsafe" in the event of computer malfunctions.

Mayor Smith stated that considering the fact there were over 250,000 pawn transactions in Mesa in the last two years and a little more than 400 stolen items recovered, he questioned whether the proposed allocation of resources is "a good tradeoff" for the City.

Chief Denney assured the Council that the implementation of the Pawnshop Transaction Fee and moving to an online electronic data submission system would assist the Police Department not only in recovering stolen property, but also obtaining investigative leads to the career criminals who are committing these crimes.

Councilmember Richins commented that individuals often have items stolen that are not traceable (i.e., CDs, jewelry) and said that such items could be sold through a pawnshop and it would be impossible to identify the victim or determine when the crime was committed.

Councilmember Somers inquired whether the Pawnshop Transaction Fee would assist the Police Department in identifying stolen objects such as those mentioned by Councilmember Richins.

Chief Denney remarked that there is currently a six-week lag time for staff to enter pawn transactions into the system. He also commented that although it may not be possible to identify property that is stolen, pawned and redeemed, the online electronic data submission system would assist staff in identifying items that are serialized or have unique characteristics.

Councilmember Higgins stated that the Public Safety Committee discussed with Chief Gascon the issue of non-serialized items that customers bring into pawnshops and suggested that those individuals be required to provide identification (i.e., a driver's license) to be used as a tracking mechanism for those kinds of items.

Additional discussion ensued relative to the fact that the Pawnshop Transaction Fee would offset the costs incurred by the City related to the recovered property program (estimated at \$370,000 annually) and fund the implementation of the online electronic data submission system; that Phoenix, Peoria, Gila County, Kingman and Bullhead City currently charge a \$3.00 Pawnshop Transaction Fee and Tempe, Scottsdale and Chandler are considering similar fees; and that Mesa's online electronic data submission system could eventually become "a regional hub," which would allow the Mesa Police Department to network and share data with law enforcement agencies throughout the State.

Councilmember Richins expressed support for staff's proposal and said that he would equate the Pawnshop Transaction Fee to a typical user fee attached to a financial transaction.

Councilmember Higgins said she would assume the Council would reevaluate the data associated with the Pawnshop Transaction Fee after a year's time to determine whether the City is making a profit and if the amount is excessive and should be adjusted.

Further discussion ensued relative to the fact that with the implementation of the online electronic data submission system, staffing for the Recovered Property Unit would remain the same, but their enforcement capabilities would increase; that per State law, pawnshops are allowed to charge a customer up to \$5.00 for an initial transaction fee; that with the implementation of the online electronic data submission system, the pawnshop owner would issue a pawn ticket and perform the online data entry at the point of sale; and that staff is currently preparing a Request for Proposals (RFP) to evaluate various software/hardware packages to track pawnshop transactions.

Mayor Smith stated that he would hope the purpose of the Pawnshop Transaction Fee is not merely for cost recovery, but rather "to create a better system." He recognized the benefits that would be realized through an enhanced online electronic data submission system and added that whatever system is ultimately selected by staff through the RFP process, he would hope that it would have the capability to share data with other law enforcement agencies.

Mr. Brady stated that staff would bring back an ordinance regarding this item for Council consideration.

Mayor Smith commented that when staff brings back the ordinance, he would welcome receiving input at that time from pawnshop owners regarding the matter. He also stated that if an ordinance is drafted that enables the City to implement a Pawnshop Transaction Fee, the Police Department should clearly define what it intends to do on a proactive basis relative to the

process as opposed to merely indicating that the fee would be used to recover costs associated with the recovered property program.

Councilmember Richins requested that secondhand dealers, in addition to pawnshop owners, be included as an additional regulatory group in the process.

Mayor Smith suggested that when staff brings back an ordinance for Council consideration, that the Council also discuss the ramifications and coverage as it relates to secondhand dealers and scrap metal dealers.

Mayor Smith thanked staff for the presentation.

3. Hear a presentation, discuss and provide direction on FY 08/09 and FY09/10 budget issues, including, but not limited to:

a. Transportation, including transit

Transportation Department Director Dan Cleavenger introduced Deputy Transit Director Mike James, who was prepared to address the Council relative to this item.

Mr. James displayed a PowerPoint presentation (A copy is available for review in the City Clerk's Office) and reported that staff proposes a transit service delivery model in Mesa that would move toward a market demand approach. He explained that such an approach would focus on higher cost services in high demand corridors (i.e., bus and Dial-a-Ride), retain lower cost alternatives Citywide, and comply with all Americans with Disabilities (ADA) Federal requirements.

Mr. James referenced a map contained in the PowerPoint presentation and briefly highlighted the existing and proposed 2009 regionally funded bus routes in Mesa.

Mr. James provided a brief overview of staff's proposed transit service option, which is to implement a three-quarter of a mile Dial-a-Ride service area. He explained that the option would provide pick-ups only within three-quarters of a mile of fixed route bus service in Mesa and also serve the East Valley Dial-a-Ride area (Scottsdale, Tempe, Chandler, Gilbert). Mr. James added that if a rider wanted to travel to Phoenix, for example, it would be necessary for the person to make arrangements to transfer to a Dial-a-Ride system that serviced that area of the Valley.

Discussion ensued relative to the fact that the proposed transit service option would operate on the same days and hours as the fixed bus route; that Sunday Dial-a-Ride would continue to be maintained within the three-quarters of a mile area; that 94% of the City's population is located within the service area; and that there are nine separate Dial-a-Ride systems throughout the Phoenix metro area.

Councilmember Somers requested that Mr. James display a map generated by the Regional Public Transportation Authority (RPTA) depicting bus routes in Mesa. He voiced concern relative to staff's proposal and noted that many retirement communities in east Mesa, and particularly in Districts 5 and 6, would not be situated within three-quarters of a mile of fixed route bus service. Councilmember Somers noted that this is the third time in two years that the

Council has discussed the issue of reducing Dial-a-Ride service and questioned how the City intended to provide transportation services to its disabled population so they were not unduly burdened.

City Manager Christopher Brady responded that the City is not suggesting that Dial-a-Ride services would not be available for ADA purposes, but rather that there are other more cost effective services available.

Mr. James highlighted the proposed cost savings associated with the implementation of the three-quarters of a mile Dial-a-Ride service area, as well as additional savings options (the elimination of Saturday bus service on Mesa funded routes, the elimination of Saturday Dial-a-Ride or the elimination of Sunday Dial-a-Ride). (See Attachment 2)

Extensive discussion ensued relative to alternative Citywide RideChoice Programs available to Mesa residents outside of the three-quarters of a mile Dial-a-Ride service area (i.e., Special Transportation Services (STS), a free door-to-door service for low income Mesa residents; Coupons for Cabs; and mileage reimbursement).

Mayor Smith clarified that staff's proposal is a service model that would provide Dial-a-Ride service within three-quarters of a mile of fixed route bus service in Mesa, an option that would serve 94% of Mesa's population. He stated that staff further proposes that the remaining 4% of Mesa residents would have other transit options available to them such as STS, where applicable, Coupons for Cabs, and mileage reimbursement.

Additional discussion ensued relative to the potential loss of Mesa's allocation of Local Transportation Assistance Fund (LTAF II) funding; that it is anticipated that such monies would be "swept" by the State; that of Mesa's \$821,395 allocation, \$403,700 is dedicated to fund the Gilbert Road route until July 2009, after which time the route would be funded with Prop 400 monies; and that if Mesa's allocation is lost, it would be necessary for the City to absorb that amount in its current budget.

In response to a question from Councilmember Higgins, Mr. James stated that the City could include additional retirement communities in the proposed Dial-a-Ride service area that are currently outside the area.

Mayor Smith cautioned that if staff expands the Dial-a-Ride service area in Districts 5 and 6, it would be appropriate to implement "certain tradeoffs" with regard to those associated costs. He suggested that Councilmembers Higgins and Somers meet with staff to determine if there are specific high density areas that could be included in the service area and that staff bring back to the Council the budget ramifications in that regard.

Mayor Smith thanked staff for the presentation.

b. Police Department

Police Chief George Gascon displayed a PowerPoint presentation (A copy is available for review in the City Clerk's Office) and reported that between 2006 and 2008, the Mesa Police Department has seen a 7.36% increase in the number of filled sworn positions, a 9.28%

decrease in calls for service and a 19.45% decrease in Part I crimes (i.e., murder, rape, property crimes, aggravated assault).

Chief Gascon explained that in recent years, the Police Department has “re-engineered” its operations in order to improve efficiency. He cited, by way of example, the development of a Civilian Investigator Program, whereby trained civilians would respond to low level calls currently handled by sworn officers, conduct interviews and complete reports. Chief Gascon also commented that for a non-emergency call, a civilian volunteer would make an appointment to meet and conduct an interview with the individual who made the call at that person’s convenience.

Extensive discussion ensued relative to the decentralization of Police resources to the district stations; that the process has resulted in greater communication, accountability and dissemination of information between the district Commander, detectives and patrol officers in the respective district stations; and that the community has also benefited from these changes.

Chief Gascon further spoke regarding the “internal re-engineering” of COMPSTAT, Six Sigma (a partnership with Motorola and Intel); the current booking process at the Maricopa County Jail; various law enforcements partnerships (Fusion Center, Gang Task Force, CopLink); the creation of task forces with various Federal and State agencies; and the Police Department’s involvement in the community.

Chief Gascon highlighted the proposed budget adjustments for the Police Department as follows:

- Reduce sworn staffing levels by 19 positions
- Reduce civilian staffing levels by 9 positions
- Reduce overtime (The Department reduced overtime earlier this year and analyzed productivity and crime and various national policing models.)
- Staff is exploring the privatization of Municipal Security Operations

Councilmember Kavanaugh stated that he served as a Councilmember during the events of 9/11 and explained that subsequent to that time, the City considered the expansion of Municipal Security and various other security needs throughout the community. He commented that for various reasons, it was the opinion of the Council that Municipal Security services should remain “in house.” Councilmember Kavanaugh expressed concern regarding the possible privatization of those services at this time.

Councilmember Somers requested that staff track the proposed reduction in overtime and how it would impact conviction rates. He cited, as an example, a crime lab employee being unable to complete his or her work in a timely manner due to a reduction in overtime and if such an occurrence would jeopardize the successful conviction of the case associated with that work.

Councilmember Finter commented that he would hope that undue pressure is not placed on firefighters or police officers in the field to travel at excessive rates of speed in order to respond to calls for service in a prompt manner.



Chief Gascon continued with the Police Department's proposed budget adjustments as follows:

- Freeze sworn and civilian attrition
- Share resources (laptops and radios)
- Reduction in aviation hours
- No new vehicle purchases

Assistant Police Chief John Meza clarified that flight coverage by the Aviation Unit would be maintained seven days a week, but said that the hours would be reduced to two dayshift hours and four nightshift hours.

Mayor Smith stated that the Aviation Unit's helicopters are an effective law enforcement tool and not, in his opinion, a luxury. He also commented that Mesa provides air support services to neighboring communities, such as the Maricopa County Sheriff's Office, and suggested that the City pursue more effective cost sharing and financial responsibility with its neighboring communities in this regard.

Chief Gascon displayed a diagram entitled "Fiscal Impact" and offered an analysis of the previously-referenced budget adjustments. (See Attachment 3) He reiterated that the privatization of Municipal Security is an issue that staff would continue to explore and would ultimately be determined by the Council.

Assistant Police Chief Mike Denney provided a brief update with regard to the Police Department's training of its officers relative to Mesa's new immigration policy that was approved by the Council in July.

Mayor Smith thanked staff for the comprehensive presentation.

#### c. Library

Library Director Heather Wolf introduced staff members present at the meeting and provided a short synopsis of the proposed budget adjustments for the Library. She displayed a PowerPoint presentation (A copy is available for review in the City Clerk's Office) and offered a comparative analysis of Library usage in FY 2007/08 and FY 2008/09.

Ms. Wolf highlighted various elements of the Library's current service model at the Main Library and two branch libraries, including the hours of operation, the staffing ratio at the various service desks, and the acquisition of a wide range of materials (fiction, nonfiction, reference, newspaper and non-print formats). She also reviewed current trends in the industry such as the availability of information in an electronic format, a decrease in Reference questions asked by patrons over the past five years, and various self-service options (self-checkout, phone or online renewal).

Ms. Wolf further noted that in an effort to respond to current trends, staff established a series of goals which include improving customer satisfaction through collections, programs, services and access; increasing library usage; utilizing staff appropriately; and optimizing technology.

Discussion ensued relative to staff's implementation of various service improvements; that Radio Frequency Identification is a tool that increases ease and speed of self-checkout, reduces material loss and offers greater efficiencies for staff; and that an Integrated Service Model would

combine desks, utilize Library Assistants at specific desks, and increase the value of the librarians.

Ms. Wolf reported that as part of the Citywide budget adjustments, the Library was asked to reduce its budget by 30%. She explained that staff's primary goal was to focus on the Library's core services and maintain all three locations.

Ms. Wolf highlighted the proposed budget solutions/reductions as follows:

- Accelerate the implementation of the above-referenced service model (Cost savings of \$786,000 through the elimination of 11.4 FTEs)
- Complete the Radio Frequency Identification conversion (Cost savings of \$212,000 or 4 FTEs).
- Reduce materials budget by 50% (fewer titles and copies) (Cost savings of \$786,000 from the materials budget and \$300,000 through the elimination of 4.6 FTEs)
- Reduce hours of service – maintain busiest hours, reduce shifts and days open (Cost savings of \$1.2 million through the elimination of 22 FTEs)

Councilmember Kavanaugh stated that it is discouraging that the Library must continue to reduce its hours of operation. He noted that with the proposed schedule, individuals who work, for example, 8:00 a.m. to 5:00 p.m., would only have access to Library services 11 hours during the week.

Further discussion ensued relative to the fact that the Library volunteers perform many "behind the scene" duties, but are not permitted to handle circulation records due to certain privacy issues; that at an upcoming meeting, staff would apprise the Friends of the Library regarding the ramifications of the proposed reductions; and the proposed hours of operation at the Main Library and the two branches. (See Attachment 4)

City Manager Christopher Brady noted that Mesa residents pay an estimated \$1.7 million in property taxes to the Maricopa County Library District and stated that he would like to see a more direct benefit returned to the citizens of Mesa who make those contributions.

Mayor Smith said he is hopeful that the City would eventually be able to restore and expand Library services in order to "maintain the overall health of our community." He thanked staff for their efforts and hard work during this difficult budget adjustment process and also acknowledged the Library patrons for their patience and understanding.

4. Hear reports on meetings and/or conferences attended.

There were no reports on meetings and/or conferences attended.

5. Scheduling of meetings and general information.

City Manager Christopher Brady stated that the meeting schedule is as follows:

Saturday, December 6, 2008, 8:00 a.m. – District 5 Pancake Breakfast at Fire Station 214

Monday, December 8, 2008, TBA – Study Session



Monday, December 8, 2008, 5:45 p.m. – Regular Council Meeting

6. Items from citizens present.

There were no items from citizens present.

7. Convene an Executive Session.

It was moved by Councilmember Richins, seconded by Councilmember Kavanaugh, that the Council adjourn the Study Session at 10:43 a.m. and enter into an Executive Session.

Carried unanimously.

- a. Discussion or consultation with the City Attorney in order to consider the City's position and instruct the City Attorney regarding the City's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation. (A.R.S. Section 38-431.03A(4))

1. Madrigal v. City of Mesa, CV07-357-PHX-EHC

8. Adjournment.

Without objection, the Executive Session adjourned at 11:17 a.m.

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SCOTT SMITH, MAYOR

ATTEST:

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LINDA CROCKER, CITY CLERK

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session of the City Council of Mesa, Arizona, held on the 4<sup>th</sup> day of December 2008. I further certify that the meeting was duly called and held and that a quorum was present.

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LINDA CROCKER, CITY CLERK